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August 4, 2015

VIA FEDERAL EXPRESS and EMAIL

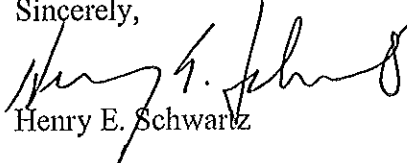
Kevin McDonald, Chief
Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

RE: Blue Heron Nursing and Rehabilitation Center Application
Docket No. 13-18-2348

Dear Mr. McDonald:

Enclosed please find six copies of the Response of Interested Party St. Mary's Nursing Center to Applicant's Exceptions to Recommended Decision in the above-referenced case. I hereby certify that copies of this filing were mailed to the individuals listed below.

Sincerely,



Henry E. Schwartz

Enclosure

cc: Howard L. Sollins, Esquire
Marta D. Harting, Esquire
Suellen Wideman, Esq., Assistant Attorney General
Meenakshi Brewster, M.D., St. Mary's Health Officer
Ms. Annette Hodges
Mr. Jeffrey Boland
Ruby Potter

BEFORE THE MARYLAND HEALTH CARE COMMISSION

IN THE MATTER OF

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ST. MARY'S LONG TERM CARE, LLC

*

**BLUE HERON NURSING AND
REHABILITATION CENTER**

*

Docket No. 13-18-2348

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**RESPONSE OF INTERESTED PARTY ST. MARY'S NURSING CENTER
TO APPLICANT'S EXCEPTIONS TO RECOMMENDED DECISION**

St. Mary's Nursing Center ("SMNC") fully supports the Recommended Decision issued in this case by Commissioner/Reviewer Fronstin, for the reasons articulated below.

While the various State Health Plan and regulatory standards applicable to this review have been fully and specifically addressed in the Recommended Decision, perhaps the summary letter provided by Commissioner Fronstin best identifies the reason(s) for his conclusion that the Applicant's project should be denied.

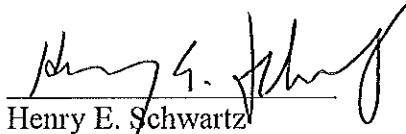
The denial is based upon a "variety of reinforcing factors." (Fronstin Summary, p. 2). First, and foremost, the Commission's corrected and updated need projection published on October 3, 2014, indicates a need for fourteen CCF beds in St. Mary's County. The application for 90 beds is inappropriate in light of that fact. In fact, Commissioner Fronstin found that there is no unmet need currently in St. Mary's County. (Recommended Decision, p. 48). The Applicant's appeal to reject the Commission's ability to update and correct its need analyses should be rejected by the Commission, as it was rejected by Commissioner Fronstin. What "good" is served by placing 90 unneeded beds into service in the County?

To answer the question raised in the last paragraph, Commissioner Fronstin went on to indicate, (in his summary and on p. 48 of the Recommended Decision), that the two existing facilities have seen bed use drop since the 2007 levels. They have responded by taking beds out of service on numerous occasions. In light of this fact, and the conclusion that patients were not leaving the County to obtain services elsewhere at an above average rate, Commissioner Fronstin concluded that establishment of a new competitor in the County would likely have a negative impact on the existing facilities, and would also likely negatively impact the viability of the new facility, given the increased competition for resources and patients. (Recommended Decision, pages 47-49).

In summary both the Commission's bed need projections, and the facts on the ground in St. Mary's County, clearly indicate that there is no need for a new 90-bed nursing facility in the County. To the contrary, they indicate that the establishment of a new facility would likely cause harm to the viability of the existing facilities, while, for the same reasons, have questionable viability itself.

Accordingly, SMNC strongly urges the Commission to accept Commissioner Fronstin's recommendation to deny the pending application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Henry E. Schwartz", written over a horizontal line.

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Counsel for St. Mary's Nursing Center